

U.S. Corporation Income Tax Return

For calendar year 2008 or tax year

OMB No. 1545-0123

beginning _____, ending _____

2008

A Check if:

- 1a Consolidated return (attach Form 851) ☐
b Life/nonlife consolidated return ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (see instructions) ☐
4 Schedule M-3 attached ☒

Use IRS label. Otherwise, print or type.

Name
RAINIER VIEW WATER CO., INC
Number, street, and room or suite no. If a P.O. box, see instructions.
P.O. BOX 44427
City or town, state, and ZIP code
TACOMA, WA 98444

B Employer identification number
91-1464595
C Date incorporated
01/01/1990
D Total assets (see instructions)
\$ 44,300,579.

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1 a Gross receipts or sales	4,996,075.	b Less returns and allowances		c Bal	1c	4,996,075.
	2 Cost of goods sold (Schedule A, line 8)				2		
	3 Gross profit. Subtract line 2 from line 1c				3	4,996,075.	
	4 Dividends (Schedule C, line 19)				4		
	5 Interest	SEE STATEMENT 1			5	21,444.	
	6 Gross rents				6	89,852.	
	7 Gross royalties				7		
	8 Capital gain net income (attach Schedule D (Form 1120))				8		
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	-826.	
	10 Other income (attach schedule)				10		
	11 Total income. Add lines 3 through 10				11	5,106,545.	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)				12	420,072.	
	13 Salaries and wages (less employment credits)				13	873,718.	
	14 Repairs and maintenance				14		
	15 Bad debts				15	40,434.	
	16 Rents				16	8,290.	
	17 Taxes and licenses	SEE STATEMENT 2			17	506,129.	
	18 Interest				18	250,521.	
	19 Charitable contributions				19		
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	898,623.	
	21 Depletion				21		
	22 Advertising				22		
	23 Pension, profit-sharing, etc., plans				23		
	24 Employee benefit programs				24	278,749.	
	25 Domestic production activities deduction (attach Form 8903)				25		
	26 Other deductions (attach schedule)	SEE STATEMENT 3			26	1,801,253.	
	27 Total deductions. Add lines 12 through 26				27	5,077,789.	
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	28,756.	
	29 Less: a Net operating loss deduction	29a			29c		
b Special deductions (Schedule C, line 20)	29b						
30 Taxable income. Subtract line 29c from line 28 (see instructions)				30	28,756.		
31 Total tax (Schedule J, line 10)				31	4,313.		
Tax, Refundable Credits, and Payments	32 a 2007 overpayment credited to 2008	32a	124,700.				
	b 2008 estimated tax payments	32b	159,300.				
	c 2008 refund applied for on Form 4466	32c		d Bal	32d	284,000.	
	e Tax deposited with Form 7004	32e			32e		
	f Credits: (1) Form 2439 (2) Form 4136	32f			32f		
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g			32h	284,000.	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached				33		
	34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	0.	
	35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35	279,687.	
	36 Enter amount from line 35 you want: Credited to 2009 estimated tax 279,687. Refunded				36		

Sign Here

Signature of officer

Date

PRESIDENT

Title

May the IRS discuss this return with the preparer shown below?

☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP code

DOTY BEARDSLEY ROSENGREN & CO, P.S.
4301 SOUTH PINE STREET, SUITE 400
TACOMA, WASHINGTON 98409

Date

5/15/09

Check if self-employed ☐

Preparer's SSN or PTIN

538-50-1093

EIN

20 5018267

Phone no.

(253) 830-5450

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 ▶			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			

Schedule E Compensation of Officers

(see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 STATEMENT 4					
2 Total compensation of officers					420,072.
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					420,072.

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	STMT 5
3	Alternative minimum tax (attach Form 4626)	<input type="checkbox"/>	2
4	Add lines 2 and 3	<input type="checkbox"/>	3
5a	Foreign tax credit (attach Form 1118)	<input type="checkbox"/>	4
5b	Credit from Form 8834	<input type="checkbox"/>	4,313.
5c	General business credit (attach Form 3800)	<input type="checkbox"/>	
5d	Credit for prior year minimum tax (attach Form 8827)	<input type="checkbox"/>	
5e	Bond credits from Form 8912	<input type="checkbox"/>	
6	Total credits. Add lines 5a through 5e	<input type="checkbox"/>	6
7	Subtract line 6 from line 4	<input type="checkbox"/>	7
8	Personal holding company tax (attach Schedule PH (Form 1120))	<input type="checkbox"/>	8
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	<input type="checkbox"/>	9
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	<input type="checkbox"/>	10

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <input type="checkbox"/>	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <input type="checkbox"/> 221300		
b	Business activity <input type="checkbox"/> WATER UTILITY		
c	Product or service <input type="checkbox"/> WATER		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation <input type="checkbox"/>		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v).		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock

b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).	X	
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(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock
NEIL H. RICHARDSON	531-30-2925	UNITED STATES	79.84%
PAULA M. RICHARDSON	534-30-5605	UNITED STATES	79.84%

Schedule K Continued**5** At the end of the tax year, did the corporation:

Yes No

- a** Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions **X**
- If "Yes," complete (i) through (iv).

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions **X**
- If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) **X**

If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock? **X**

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned ► _____ and **(ii)** Owner's country ► _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ► _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐

If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ► \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ► 8

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ☐

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ► \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? **X**

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ► \$ _____

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		6,804,105.		6,771,400.
2a	Trade notes and accounts receivable	580,796.		586,546.	
b	Less allowance for bad debts	(75,000.)	505,796.	(75,000.)	511,546.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. sch.) STMT 6		162,207.		230,208.
7	Loans to shareholders		29,394.		29,394.
8	Mortgage and real estate loans				
9	Other investments (att. sch.)				
10a	Buildings and other depreciable assets	26,427,984.		30,357,312.	
b	Less accumulated depreciation	(6,014,625.)	20,413,359.	(6,839,528.)	23,517,784.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		940,758.		940,758.
13a	Intangible assets (amortizable only)	40,969.		31,233.	
b	Less accumulated amortization	(23,996.)	16,973.	(16,973.)	14,260.
14	Other assets (att. sch.) STMT 7		12,249,646.		12,285,229.
15	Total assets		41,122,238.		44,300,579.
Liabilities and Shareholders' Equity					
16	Accounts payable		84,364.		107,121.
17	Mortgages, notes, bonds payable in less than 1 year		387,964.		516,010.
18	Other current liabilities (att. sch.) STMT 8		6,305,390.		6,456,631.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		4,498,938.		5,342,426.
21	Other liabilities (att. sch.) STMT 9		25,298,273.		27,000,288.
22	Capital stock: a Preferred stock				
b	Common stock	256,193.	256,193.	256,193.	256,193.
23	Additional paid-in capital				
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		4,291,116.		4,621,910.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		41,122,238.		44,300,579.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$				
6	Add lines 1 through 5		9	Add lines 7 and 8	
			10	Income (page 1, line 28) - line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	4,291,116.	5	Distributions: a Cash	
2	Net income (loss) per books	330,794.		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	4,621,910.	8	Balance at end of year (line 4 less line 7)	4,621,910.

**SCHEDULE B
(Form 1120)**

(December 2008)
Department of the Treasury
Internal Revenue Service

**Additional Information for
Schedule M-3 Filers**

► See instructions on page 2.
► Attach to Form 1120.

OMB No. 1545-0123

Name RAINIER VIEW WATER CO., INC	Employer identification number (EIN) 91-1464595
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	Yes	No
1 Do the amounts reported on Schedule M-3 (Form 1120), Part II, lines 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership?		X
2 At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)?		X
3 At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)?		X
4a During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations?		X
b At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471?		X
5 At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of change in accounting principle		X
6 At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes?		X
7 At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits?		X
8 At any time during the tax year, did the corporation use an allocation method for mixed-service costs that varied from the Federal Energy Regulatory Commission method of accounting?		X

Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More

▶ Attach to Form 1120 or 1120-C.
▶ See separate instructions.

OMB No. 1545-0123

2008

Name of corporation (common parent, if consolidated return)

Employer identification number

RAINIER VIEW WATER CO., INC

91-1464595

Check applicable box(es): (1) ☒ Non-consolidated return (2) ☐ Consolidated return (Form 1120 only)
(3) ☐ Mixed 1120/L/PC group (4) ☐ Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

1 a Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?

- ☐ Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
☒ No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the corporation prepare a certified audited non-tax-basis income statement for that period?

- ☒ Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
☐ No. Go to line 1c.

c Did the corporation prepare a non-tax-basis income statement for that period?

- ☐ Yes. Complete lines 2a through 11 with respect to that income statement.
☐ No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.

2 a Enter the income statement period: Beginning 01/01/2008 Ending 12/31/2008

b Has the corporation's income statement been restated for the income statement period on line 2a?

- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☒ No.

c Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?

- ☐ Yes. (If "Yes," attach an explanation and the amount of each item restated.)
☒ No.

3 a Is any of the corporation's voting common stock publicly traded?

- ☐ Yes.
☒ No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

4 a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1

4a **330,794.**

b Indicate accounting standard used for line 4a (see instructions): (1) ☐ GAAP (2) ☐ IFRS

(3) ☐ Statutory (4) ☐ Tax-basis (5) ☒ Other (specify) **USA-CA WATER UTILITIES**

5 a Net income from nonincludible foreign entities (attach schedule)

5a ()

b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount)

5b _____

6 a Net income from nonincludible U.S. entities (attach schedule)

6a ()

b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount)

6b _____

7 a Net income (loss) of other includible foreign disregarded entities (attach schedule)

7a _____

b Net income (loss) of other includible U.S. disregarded entities (attach schedule)

7b _____

c Net income (loss) of other includible entities (attach schedule)

7c _____

8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach sch.)

8 _____

9 Adjustment to reconcile income statement period to tax year (attach schedule)

9 _____

10 a Intercompany dividend adjustments to reconcile to line 11 (attach schedule)

10a _____

b Other statutory accounting adjustments to reconcile to line 11 (attach schedule)

10b _____

c Other adjustments to reconcile to amount on line 11 (attach schedule)

10c _____

11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10

11 **330,794.**

Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2.

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4		
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

Name of corporation (common parent, if consolidated return)

Employer identification number

RAINIER VIEW WATER CO., INC**91-1464595**Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

Income (Loss) Items (Attach schedules for lines 1 through 11)	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1 Income (loss) from equity method foreign corporations				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar inc inclusions				
4 Section 78 gross-up				
5 Gross foreign distributions previously taxed				
6 Income (loss) from equity method U.S. corporations				
7 U.S. dividends not eliminated in tax consolidation				
8 Minority interest for includible corporations				
9 Income (loss) from U.S. partnerships				
10 Income (loss) from foreign partnerships				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions (attach details)				
13 Interest income (attach Form 8916-A)	21,444.			21,444.
14 Total accrual to cash adjustment				
15 Hedging transactions				
16 Mark-to-market income (loss)				
17 Cost of goods sold (attach Form 8916-A)	()			()
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments				
20 Unearned/deferred revenue				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities	-5,339.	5,339.		
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses		-826.		-826.
e Abandonment losses				
f Worthless stock losses (attach details)				
g Other gain/loss on disposition of assets other than inventory				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach sch) STMT 10	4,844,943.	151,132.		4,996,075.
26 Total income (loss) items. Combine lines 1 through 25	4,861,048.	155,645.		5,016,693.
27 Total expense/deduction items (from Part III, line 36)	-734,607.	-561,798.	104,115.	-1,192,290.
28 Other items with no differences STMT 12	-3,795,647.			-3,795,647.
29a Mixed groups, see instructions. All others, combine lines 26 through 28	330,794.	-406,153.	104,115.	28,756.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 Reconciliation totals. Combine lines 29a through 29c	330,794.	-406,153.	104,115.	28,756.

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

JWA

813322
02-02-09

Name of corporation (common parent, if consolidated return)

RAINIER VIEW WATER CO., INC

Employer identification number

91-1464595Check applicable box(es): (1) ☐ Consolidated group (2) ☐ Parent corp (3) ☐ Consolidated eliminations (4) ☐ Subsidiary corp (5) ☐ Mixed 1120/L/PC groupCheck if a sub-consolidated: (6) ☐ 1120 group (7) ☐ 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return - Expense/Deduction Items (see instructions)

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 U.S. current income tax expense	104,115.		-104,115.	
2 U.S. deferred income tax expense				
3 State and local current income tax expense				
4 State and local deferred income tax expense				
5 Foreign current income tax expense (other than foreign withholding taxes)				
6 Foreign deferred income tax expense				
7 Foreign withholding taxes				
8 Interest expense (attach Form 8916-A)	250,521.			250,521.
9 Stock option expense				
10 Other equity-based compensation				
11 Meals and entertainment				
12 Fines and penalties				
13 Judgments, damages, awards, and similar costs				
14 Parachute payments				
15 Compensation with section 162(m) limitation				
16 Pension and profit-sharing				
17 Other post-retirement benefits				
18 Deferred compensation				
19 Charitable contribution of cash and tangible property				
20 Charitable contribution of intangible property				
21 Charitable contribution limitation/carryforward				
22 Domestic production activities deduction				
23 Current year acquisition or reorganization investment banking fees				
24 Current year acquisition or reorganization legal and accounting fees				
25 Current year acquisition/ reorganization other costs				
26 Amortization/impairment of goodwill				
27 Amortization of acquisition, reorganization, and start-up costs				
28 Other amortization or impairment write-offs	2,712.			2,712.
29 Section 198 environmental remediation costs				
30 Depletion				
31 Depreciation	336,825.	561,798.		898,623.
32 Bad debt expense STMT 14	40,434.			40,434.
33 Corporate owned life insurance premiums				
34 Purchase versus lease (for purchasers and/or lessees)				
35 Other expense/deduction items with differences (attach schedule)				
36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive	734,607.	561,798.	-104,115.	1,192,290.

Depreciation and Amortization
(Including Information on Listed Property) OTHER

▶ See separate instructions.

▶ Attach to your tax return.

RAINIER VIEW WATER CO., INC

OTHER DEPRECIATION

91-1464595

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	307,069.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	238,996.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	247,929.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		1,926.	3 YRS	HY	S/L	321.
b 5-year property		36,902.	5 YRS	HY	200DB	7,380.
c 7-year property		32,339.	7 YRS	HY	200DB	4,619.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property		235,907.	25 yrs.	HY	S/L	4,718.
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	02 / 08	1,909,878.	39 yrs.	MM	S/L	42,850.
	02 / 08	1,430,258.	39 YRS	MM	S/L	32,089.

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	12,652.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	898,623.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)**24a** Do you have evidence to support the business/investment use claimed? ☒ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☒ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use **25****26** Property used more than 50% in a qualified business use:

		%						
SEE STATEMENT 15		%					12,652.	
		%						

27 Property used 50% or less in a qualified business use:

		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28** 12,652.**29** Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29****Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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42 Amortization of costs that begins during your 2008 tax year:

43 Amortization of costs that began before your 2008 tax year **43** 2,712.**44** Total. Add amounts in column (f). See the instructions for where to report **44** 2,712.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.

OMB No. 1545-0184

2008

Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

RAINIER VIEW WATER CO., INC

91-1464595

1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2 CAD PRINTER	022805	123108	200.	2,616.	3,399.	-583.

3 Gain, if any, from Form 4684, line 45	3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5
6 Gain, if any, from line 32, from other than casualty or theft	6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.	7 -583.
8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

AQUARIUM AND NEIL'S OFFICE						
092502	053108		3,652.	3,895.	-243.	

11 Loss, if any, from line 7	11 (583.)
12 Gain, if any, from line 7 or amount from line 8, if applicable	12
13 Gain, if any, from line 31	13
14 Net gain or (loss) from Form 4684, lines 37 and 44a	14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16
17 Combine lines 10 through 16	17 -826.
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions	18a
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b

JWA For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2008)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	28a			
b	Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126	29a			
b	Enter the smaller of line 24 or 29a	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 39. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation (see instructions)	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

Name of common parent

RAINIER VIEW WATER CO., INC

Employer identification number

91-1464595

Name of subsidiary

Employer identification number

Part I Cost of Goods Sold

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
a Stock option expense				
b Other equity based compensation				
c Meals and entertainment				
d Parachute payments				
e Compensation with section 162(m) limitation				
f Pension and profit sharing				
g Other post-retirement benefits				
h Deferred compensation				
i Section 198 environmental remediation costs				
j Amortization				
k Depletion				
l Depreciation				
m Corporate owned life insurance premiums ...				
n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach schedule)				
7 Other items with no differences				
8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d				

JWA For Paperwork Reduction Act Notice, see page 4.

Form **8916-A** (2008)

Part II Interest Income

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income	21,444.			21,444.
6	Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11.	21,444.			21,444.

Part III Interest Expense

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense	250,521.			250,521.
5	Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26.	250,521.			250,521.

JWA

Form 8916-A (2008)

Income (Loss) From Other Rental Activities

1 Show the kind and location of each rental property.

A OFFICE SPACE

B _____

C _____

D _____

Rental Income**Properties**

		A	B	C	D
2	Gross rents	2 89,852.			
Rental Expenses					
3	Advertising	3			
4	Auto and travel	4			
5	Cleaning and maintenance	5			
6	Commissions	6			
7	Insurance	7			
8	Legal and other professional fees	8			
9	Interest	9			
10	Repairs	10			
11	Taxes	11			
12	Utilities	12			
13	Wages and salaries	13			
14	Depreciation	14			
15	Other (list) ►	15			
				
				
16	Total expenses for each property. Add lines 3 through 15	16 0.			
17	Total gross rents. Add gross rents from line 2, columns A through D	17	89,852.		
18	Total expenses. Add total expenses from line 16, columns A through D	18			
19	Net gain (loss) from Form 4797, Part II, line 18, from disposition of property from other rental activities	19			
20	Net income (loss) from other rental(s)	20	89,852.		

FORM 1120	INTEREST INCOME	STATEMENT	1
DESCRIPTION	US	OTHER	
OI-INTEREST INCOME		21,444.	
TOTAL TO FORM 1120, LINE 5		21,444.	

FORM 1120	TAXES AND LICENSES	STATEMENT	2
DESCRIPTION		AMOUNT	
TAXES OTHER THAN INCOME		506,129.	
TOTAL TO FORM 1120, LINE 17		506,129.	

FORM 1120	OTHER DEDUCTIONS	STATEMENT	3
DESCRIPTION		AMOUNT	
AMORTIZATION		2,712.	
LEGAL AND ACCOUNTING		85,125.	
UTILITIES AND TELEPHONE		326,200.	
TRANSPORTATION EXPENSE		176,865.	
MATERIALS & SUPPLIES		798,194.	
OTHER PROFESSIONAL FEES		53,965.	
EQUIPMENT RENTAL		71,718.	
INSURANCE		68,708.	
REGULATORY COMM EQUIPMENT		9,511.	
CHEMICALS		174,584.	
MISCELLANEOUS EXPENSE		33,671.	
TOTAL TO FORM 1120, LINE 26		1,801,253.	

SCHEDULE E		COMPENSATION OF OFFICERS			STATEMENT	4
(A) NAME OF OFFICER	(B) SOCIAL SECURITY NUMBER	(C) PCT OF TIME DEVOTED	PCT OF (D) COMMON	STK (E) PREF	(F) AMOUNT OF COMPENSATION	
NEIL H. RICHARDSON	531-30-2925	60.00%	39.92%		122,249.	
PAULA M. RICHARDSON	534-30-5605	40.00%	39.92%		12,005.	
DOUG FISHER	532-48-0761	75.00%	11.52%		88,676.	
ROBERT BLACKMAN	368-64-7674	75.00%	5.76%		84,806.	
CHARLES WARNER	398-68-4093	100%	2.88%		84,104.	
RICHARD RICHARDSON	532-64-4798	25.00%			28,232.	
TOTAL TO SCHEDULE E					420,072.	

TAX COMPUTATION		STATEMENT	5
1.	TAXABLE INCOME	28,756	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT . .	28,756	
3.	LINE 1 LESS LINE 2	0	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT . .	0	
5.	LINE 3 LESS LINE 4	0	
6.	INCOME SUBJECT TO 34% TAX RATE	0	
7.	INCOME SUBJECT TO 35% TAX RATE	0	
8.	15 PERCENT OF LINE 2	4,313	
9.	25 PERCENT OF LINE 4	0	
10.	34 PERCENT OF LINE 6	0	
11.	35 PERCENT OF LINE 7	0	
12.	ADDITIONAL 5% SURTAX.	0	
13.	ADDITIONAL 3% SURTAX	0	
14.	TOTAL INCOME TAX		4,313

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PREPAYMENTS	36,514.	37,208.	
FEDERAL INCOME TAXES RECEIVABLE	125,693.	193,000.	
TOTAL TO SCHEDULE L, LINE 6	162,207.	230,208.	

SCHEDULE L	OTHER ASSETS	STATEMENT	7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
DEBT SERVICE RESERVE	417,159.	484,855.	
TACOMA INTERTIE	10,978,433.	10,993,249.	
INVESTMENTS	144,537.	161,116.	
DEFERRED TAXES	709,517.	646,010.	
TOTAL TO SCHEDULE L, LINE 14	12,249,646.	12,285,229.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ACCRUED EXPENSES	113,766.	122,533.	
CUSTOMER DEPOSITS	17,609.	20,637.	
ADVANCES FOR CONSTRUCTION	6,174,015.	6,313,461.	
TOTAL TO SCHEDULE L, LINE 18	6,305,390.	6,456,631.	

SCHEDULE L	OTHER LIABILITIES	STATEMENT	9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
CONTRIBUTION IN AID OF CONSTRUCTION	14,319,840.	16,007,039.	
CIAC-TACOMA INTERTIE	10,978,433.	10,993,249.	
TOTAL TO SCHEDULE L, LINE 21	25,298,273.	27,000,288.	

SCHEDULE M-3	OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES			STATEMENT 10
DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
GROSS RECEIPTS OR SALES	4,844,943.	151,132.	0.	4,996,075.
TOTAL TO M-3, PART II, LINE 25	4,844,943.	151,132.	0.	4,996,075.

SCHEDULE M-3	OTHER INCOME (LOSS) ITEMS WITH NO DIFFERENCES			STATEMENT 11
DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT		INCOME (LOSS) PER TAX RETURN	
RENT			89,852.	89,852.
TOTAL TO SCHEDULE M-3, PART II, LINE 28			89,852.	89,852.

SCHEDULE M-3	OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION ITEMS WITH NO DIFFERENCES			STATEMENT 12
DESCRIPTION	PER INCOME STATEMENT		PER TAX RETURN	
OTHER INCOME (LOSS)		89,852.		89,852.
OTHER EXPENSE / DEDUCTION		-3885499.		-3885499.
TOTAL TO SCHEDULE M-3, PART II, LINE 28		-3795647.		-3795647.

SCHEDULE M-3	OTHER EXPENSE/DEDUCTION ITEMS WITH NO DIFFERENCES	STATEMENT 13
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DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
CHEMICALS	174,584.	174,584.
EMPLOYEE BENEFIT PROGRAMS	278,749.	278,749.
EQUIPMENT RENTAL	71,718.	71,718.
INSURANCE	68,708.	68,708.
LEGAL AND ACCOUNTING	85,125.	85,125.
MATERIALS & SUPPLIES	798,194.	798,194.
MISCELLANEOUS EXPENSE	33,671.	33,671.
OFFICERS COMPENSATION	420,072.	420,072.
OTHER PROFESSIONAL FEES	53,965.	53,965.
REGULATORY COMM EQUIPMENT	9,511.	9,511.
RENTS	8,290.	8,290.
SALARIES AND WAGES	873,718.	873,718.
TAXES OTHER THAN INCOME	506,129.	506,129.
TRANSPORTATION EXPENSE	176,865.	176,865.
UTILITIES AND TELEPHONE	326,200.	326,200.
TOTAL TO SCHEDULE M-3, PART II, LINE 28	3,885,499.	3,885,499.

SCHEDULE M-3	BAD DEBT EXPENSE	STATEMENT 14
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DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
BAD DEBT	40,434.		0.	40,434.
TOTAL	40,434.		0.	40,434.

FORM 4562 LISTED PROPERTY INFORMATION-MORE THAN 50% STATEMENT 15

(A) DESCRIPTION	(B) DATE	(C) BUS. %	(D) COST	(E) BASIS	(F) LIFE	(G) MTH/CV	(H) DEDUCTION	(I) 179 ELECTED
(K) TOTAL MILES	(L) BUSINESS MILES	(M) COMMUTING MILES	(N) PERSONAL MILES	(O) WAS VEH. AVAIL.?	(P) > 5% OWNER?	(Q) ANOTHER VEH. AVAILABLE?		
				Y N	Y N	Y N	Y N	
5 YEAR PROPERTY	06/30/93	100.00	219.	219. 5 YRS X	200DB-HY X			0.
5 YEAR PROPERTY	12/31/93	100.00	320.	320. 5 YRS X	200DB-HY X			0.
TRANS REPAIR	03/31/97	100.00	2,277.	2,277. 5 YRS X	200DB-MQ X			0.
97 FORD PICKUP	12/01/97	100.00	21,142.	21,142. 5 YRS X	200DB-MQ X			0.
TRUCK BED	01/01/95	100.00	1,400.	1,400. 5 YRS X	200DB-HY X			0.
99 CHEVROLET 1-TON	03/31/99	100.00	23,667.	23,667. 5 YRS X	200DB-HY X			1,775. X
1999 CHEVROLET 1-TON	03/31/99	100.00	24,489.	24,489. 5 YRS X	200DB-HY X			1,775. X
ENGINE FOR JEEP	07/09/99	100.00	922.	922. 5 YRS X	200DB-HY X			0.
99 CHEVY METRO	07/16/99	100.00	9,148.	9,148. 5 YRS X	200DB-HY X			0.
ADD-ON METRO	07/16/99	100.00	74.	74. 5 YRS X	200DB-HY X			0.

NEW 11/19/99
TRANSMISSIO

100.00 2,092. 2,092. 5 200DB-HY
YRS
X X X 0.

KIA RIO VIN 01/23/04
9523

100.00 12,233. 6,117. 5 200DB-HY
YRS 705.

2004 LIN 06/01/04
NAVIGATOR
VIN 5992

100.00 60,953. 30,477. 5 200DB-HY
YRS 3,511.
X X X

15,781 13,781
2004 JEEP 07/31/04
VIN 2784

100.00 27,094. 16,484. 5 200DB-HY
YRS 1,675.

2004 F250 08/27/04
VIN 1815

100.00 25,023. 12,511. 5 200DB-HY
YRS 1,441.

2004 F350 08/27/04
VIN 6003

100.00 30,723. 15,362. 5 200DB-HY
YRS 1,770.

TOTALS TO FORM 4562, PART V, LINE 26

12,652.